(iv) Liberalisation of exports of cotton yarn by Export Oriented Unit (EOU)/Export Promotion Zone (EPZ)/EPCG units.

(v) Zero Duty import of certain categories of trimmings & embellishments.

Closure of Textile Mills

891. SHRI YADLAPATI VENKAT RAO:
SHRI C. RAMACHANDRAIAH:

Will the Minister of TEXTILES be pleased to state:

(a) the number and details of textile mills closed during the year ending March, 1999;

(b) the number of spinning mills, out of them;

(c) the reasons for their sickness; and

(d) the steps proposed to tide over the crisis in the textile industry and to boost textile exports, to help mills?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI GINGEE N. RAMACHANDRAN): (a) During the year ending March, 1999, ninety three (93) mills were closed. These were cotton and man made fibre textile mills in non SSI sector.

(b) Out of 93 closed mills, there were 80 spinning mills reported as closed during 1998-99.

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(c) Closure of textile millss can be attributed to many factors including obsolete technology, increase in cost of inputs, difficulties in getting timely and adequate credit, mismanagement, recessionary conditions etc.

(d) The Govt. of India enacted the Sick Industrial Companies (special provisions) Act, SICA, 1985 and established the Board for Industrial and Financial Reconstruction (BIFR) with a view to arranging the timely detection of sick and potentially sick companies and for the speedy determination of preventive, ameliorative and remedial measures which need to be taken in respect of such companies.

In addition, Government have been taking several steps from time to time to promote textile exports. Some of the important initiatives taken are as under:—

— The Government in considering formulation of a new Textile Policy taking into consideration the recommendations of the Expert Committee.

— The Technological Upgradation Fund Scheme has been made operational from 1.4.1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.

— The New Exporters' Entitlement (Quota) Policy for the period 2000-2004 has been announced to provide stability and continuity and encourage competitiveness in textile exports.

— Reduction in the threshold limit of the Zero Duty Export Promotion Capital Goods (EPCG) Scheme in respect of certain prescribed textile machinery to Rs. one crore.

— Liberalisation of exports of cotton yarn by Export Oriented Unit (EOU)/Export Promotion Zone (EPZ)/EPCG units.

— Zero Duty import on certain categories of trimmings & embellishments.

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